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GENERAL

1. Western European attitude toward neutrality--US Ambassador Bruce in Paris believes that although the question of neutrality in the East-West struggle has been debated in the French press, there is no indication of a swing in public opinion against the North Atlantic Treaty (NAT) and the Military Defense Assistance Program. Bruce is convinced that the French Government retains its original motives and objectives in participating in the collective plan to strengthen the defense potential of Western Europe.

US Ambassador Murphy in Brussels expresses the opinion that although the Belgians would probably not fight if attacked during the spring of 1950, the Belgian Government and people are firmly committed to the concept of NAT. Murphy adds that the Belgians would fight at a later date if they thought their side would be successful, but that they have no desire to be "liberated again."

US Charge Villard in Oslo expresses some concern over what seems to be growing apprehension among Norwegian newspaper writers and individual businessmen that the hydrogen bomb negates all efforts to prevent war. Villard reports, however, that he has detected no sign of doubts or waning enthusiasm in government circles or among Norwegian people generally regarding the principles of mutual defense.

US Embassy The Hague believes the Dutch are "not greatly attracted by the neutrality idea." The Embassy adds, however, that there are indications of a revival of neutrality sentiment among Western Europeans and that there is some suspicion that the US has abandoned the policy of containing the USSR without making an alternative known.

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State Dept. review completed

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T O P S E C R E T

EUROPE

2. **RUMANIA:** Reaction to US withdrawal from Bulgaria--
US Minister Schoenfeld in Bucharest, in describing the effect of the suspension of US-Bulgarian relations on the people of Rumania, reports that the initial gratification of the non-Communist majority at the vigorous US action has been followed by a sense of discouragement. According to Schoenfeld, this "deepened dismay" results from a growing belief that the US action in Bulgaria was in substance a retreat and may presage retirements from other Eastern European countries.
3. **HUNGARY:** Legation position reviewed--US Minister Davis in Budapest expresses the opinion that an abrupt reduction of the Legation staff would cause the US to lose so much prestige that continuation of US representation would become meaningless. Davis points out that such a reduction, following Hungarian charges that the US Legation is a spy ring, would constitute a tacit admission of the truth of the charges.
4. **YUGOSLAVIA:** Tito concerned over possible attack--
US Ambassador Allen in Belgrade has learned that Marshal Tito has expressed serious concern over the possibility of a Cominform attack on Yugoslavia in the spring of 1950. According to Allen's informant, Tito believes such an attack would be designed to eliminate Titoism before it spreads to China and to divert attention within the Satellites from current internal hardships. Tito reportedly believes the greatest safeguard against a Soviet attack on Yugoslavia would be for the US to let the USSR know that

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such an attack would start World War III. Allen's informant commented that Tito appeared anxious to dispel the impression given in a recent speech that he was anti-American and that he seemed genuinely worried over the present situation.

(CIA Comment: CIA believes that although Yugoslav leaders are probably genuinely concerned over the possibility of some major Cominform move during the spring of 1950, Tito's current expressions of alarm are calculated primarily to counteract the unfavorable impression resulting from both Yugoslav recognition of Ho Chi Minh in Indochina and recent anti-Western speeches apparently designed for Cominform and internal consumption.)

NEAR EAST-AFRICA

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5. **INDIA - PAKISTAN:** Bengal situation termed threat to peace-- US Ambassador Henderson in New Delhi reports that Prime Minister Nehru and other top Indian leaders have been expressing serious concern over the current communal tension in Bengal and have even asserted that recent developments there present the "most grave" threat to the peace of South Asia since partition. According to Henderson, Nehru has stated that atrocities committed against minorities in East Bengal (Pakistan) have produced an atmosphere which might result in a general exodus of a substantial proportion of East Bengal's 12 million Hindus if India were to permit them to enter; Nehru also expressed fear that a violent communal reaction beyond the ability of the government to control might take place throughout India. Henderson suggests that although British observers question the "authentic quality" of the present Bengal crisis, believing it possibly inspired by a desire to prejudice the UN Security Council debate on Kashmir, the situation remains dangerous if only because of Indian emotion over the matter.

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6. IRAN: Internal situation reportedly deteriorating--US Ambassador Wiley in Tehran expresses the belief that the current situation in Iran is "bad, deteriorating, and dangerous," and that it requires considerably more than "token" economic assistance from the US. Wiley recommends that the US re-evaluate its strategic thinking in connection with Iran and make a definite decision either to let Iran "go down the drain by default" or to attempt something effective.

(CIA Comment: CIA believes that although the general economic decline in Iran has produced seriously depressed conditions in certain sensitive areas, there is no evidence available to date indicating that distress and unrest are so widespread as to threaten the stability of the country.)

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